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ORIGINAL

**\*\* FLORIDA PUBLIC SERVICE COMMISSION \*\***

**DIVISION OF COMMUNICATIONS** DEPOSIT DATE  
**BUREAU OF SERVICE EVALUATION** 1 9 2 . AUG 26 1999

**APPLICATION FORM**  
for  
**AUTHORITY TO PROVIDE (ALEC) ALTERNATIVE LOCAL EXCHANGE SERVICE**  
**WITHIN THE STATE OF FLORIDA**

991231-TX

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

**Florida Public Service Commission**  
**Division of Records and Reporting**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6770**

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- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission**  
**Division of Communications**  
**Bureau of Certification and Evaluation**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6600**

DOCUMENT NUMBER-DATE

10243 AUG 26 99

FPSC-RECORDS/REPORTING

## APPLICATION

1. This is an application for  (check one):

**Original certificate** (new company).

**Approval of transfer of existing certificate:**

Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

**Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

**Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

Florida Phone Systems, Inc.

3. Name under which the applicant will do business (fictitious name, etc.):

Florida Phone Systems Inc.

4. Official mailing address (including street name & number, post office box, city, state, zip code):

3499 NW 97th Blvd.

ste. 7

Gainesville, FL 32606

5. Florida address (including street name & number, post office box, city, state, zip code):

3499 NW 97th Blvd, ste. 7

Gainesville FL 32606

6. Structure of organization:

- Individual       Corporation  
 Foreign Corporation     Foreign Partnership  
 General Partnership     Limited Partnership

Other \_\_\_\_\_

7. If individual, provide:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

8. If incorporated in Florida, provide proof of authority to operate in Florida:

- (a) The Florida Secretary of State corporate registration number:

\_\_\_\_\_   FIN 59-2862084   \_\_\_\_\_

9. If foreign corporation, provide proof of authority to operate in Florida:

- (a) The Florida Secretary of State corporate registration number:

\_\_\_\_\_   N/A   \_\_\_\_\_

10. If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) The Florida Secretary of State fictitious name registration number:

No Fictitious Name

11. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) The Florida Secretary of State registration number:

N/A

12. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

13. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) The Florida registration number: \_\_\_\_\_

N/A

14. Provide **F.E. I. Number**(if applicable): \_\_\_\_\_

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

N/A

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

NO, employee or stockholder has previously  
been an employee or stockholder for any  
other Florida certificated telephone company

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Leian McInnis

Title: Telco Liason

Address: 3499 NW 97th Blvd, Ste. 7

City/State/Zip: Gainesville FL 32606

Telephone No.: 352 331 0424 Fax No.: 352 331 2824

Internet E-Mail Address: Fl-Phone@CCGNV.Net

Internet Website Address: N/A

(b) Official point of contact for the ongoing operations of the company:

Name: \_\_\_\_\_

Title: Dispatch Coordinator

Address: 3499 NW 97th Blvd, Ste. 7

City/State/Zip: Gainesville FL 32606

Telephone No.: 352 331 0424 Fax No.: 352 331 2824

Internet E-Mail Address: fl-phone@ccgnv.net

Internet Website Address: N/A

(c) Complaints/Inquiries from customers:

Name: Leian McInnis

Title: Telco Liason

Address: 3499 NW 97th Blvd, Ste. 7

City/State/Zip: Gainesville, FL 32606

Telephone No.: 352-331-0424 Fax No.: 352-331-2824

Internet E-Mail Address: fl-phone@ccgnv.net

Internet Website Address: N/A

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

Florida Phone Systems, Inc. has never operated  
as an ALEC in any state.

(b) has applications pending to be certificated as an alternative local exchange company.

There are no pending applications.

(c) is certificated to operate as an alternative local exchange company.

There are no other ALEC certificates

- 
- (d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

Florida Phone Systems has never been denied ALEC authority.

- (e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

There have been no imposed penalties for statutes violations.

- (f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

There have been no civil court proceedings of any kind

18. Submit the following:

A. Financial capability.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet:
2. income statement: and

3. statement of retained earnings.

**NOTE:** *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
  2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
  3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.
- B. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.
- C. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

- David Draper - financial - 850-413-7082  
- Technology Management  
Winters Park Tarrif

**\*\* APPLICANT ACKNOWLEDGEMENT STATEMENT \*\***

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

<u><i>Beal D. Inquist</i></u>	<u>8/25/99</u>
Signature	Date
<u>President</u>	<u>352-331-0424</u>
Title	Telephone No.
Address: <u>3499 NW 97th Blvd</u>	<u>352-331-2824</u>
<u>Suite 7</u>	Fax No.
<u>Gainesville FL 32606</u>	

**ATTACHMENTS:**

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - INTRASTATE NETWORK
- C - AFFIDAVIT
- GLOSSARY

*M*

**CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT**

I, (Name) \_\_\_\_\_,

(Title) \_\_\_\_\_ of (Name of Company) \_\_\_\_\_

and current holder of Florida Public Service Commission Certificate Number # \_\_\_\_\_  
\_\_\_\_\_ have reviewed this application and join in the petitioner's request for

a:

- ( ) sale
- ( ) transfer
- ( ) assignment

of the above-mentioned certificate.

**UTILITY OFFICIAL:**

Signature \_\_\_\_\_

Date \_\_\_\_\_

Title \_\_\_\_\_

Telephone No. \_\_\_\_\_

Address: \_\_\_\_\_

Fax No. \_\_\_\_\_

**\*\* APPENDIX B \*\***

**INTRASTATE NETWORK** (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.]

**1. POP:** Addresses where located, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

**2. SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

**3. TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

<u>POP-to-POP</u>	<u>OWNERSHIP</u>
1) _____	_____
2) _____	_____
3) _____	_____
4) _____	_____

**AFFIDAVIT**

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

**UTILITY OFFICIAL:**

_____ Signature	_____ Date
_____ Title	_____ Telephone No.
Address: _____	_____ Fax No.
_____	
_____	
_____	

**Financial Resume:**

To maintain the business at its current level of operation, Florida Phone now has a credit line of \$120,000 available. Should further assets be required for expansion of business, an additional line of credit will be obtained.

Technical Resume:

Florida Phone has been in operation for the past 15 years as an interconnect. Steve Jones is exclusively responsible for training and supervision of all technicians. Thoroughly knowledgeable in all aspects of different phone systems marketed by the company. Plans wiring installation of computer networks.

Managerial Resume:

Florida Phone was founded on the idea of renting business phone systems and has developed over time from a one person operation to a business operating with 16 employees. Brad Diugiud has handled all major business decisions as well as marketing and sales. It now branches out into CTI, computer network wiring, routers, sales/lease/purchase of phone systems and voice mail systems. The addition of these products has increased annual volume in the last 6 years from \$500,000 to \$1,500,000.

Florida Phone Systems, Inc.

Balance Sheet

December 31, 1998

Page 1

ASSETS

Current Assets:

Cash in Bank - Checking	25,203.99
Cash-Savings	994.79
Cash in Bank-Payroll	10,269.69
Cash-Auctions	3,266.67
Accounts Receivable - Trade	64,705.46
Inventory	47,067.25
Total Current Assets	151,507.85

Fixed Assets:

Computers	3,722.50
Automobile	28,713.17
Equipment (Client Rental)	419,534.97
Rec Office Building	35,200.00
Rec Land	8,800.00
Furniture & Fixtures	614.26
Total Fixed Assets	496,584.90
Accumulated Depreciation	-249,730.00
Accum Deprecation Office	-1,165.56
Fixed Assets	245,689.34

Other Assets:

Total Assets	397,197.19
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Florida Phone Systems, Inc.  
Balance Sheet  
December 31, 1998  
Page 2

LIABILITIES & EQUITY

Current Liabilities:	
Accounts Payable - Trade	28,911.65
Federal Withholding Payable	30.78
F.I.C.A. Withholding Payable	50.44
Unemployment Compensation	98.64
State Unemployment	400.76
Sales Taxes Payable	-1,405.27
Total Current Liabilities	28,087.00
Short Term Liabilities:	
Barnett Credit Line	34,458.50
Truck Payment	20,309.45
Long-Term Liabilities:	
Loan Payable Steve Smith	42,112.18
Total Long-Term Liabilities	96,880.13
Total Liabilities	124,967.13
Stockholders Equity:	
Shareholders Distribution	-35,850.00
Paid In Capital	500.00
Accumulated Adjustments	194,028.25
Current Period Profit (Loss)	113,551.81
Total Stockholders Equity	272,230.06
Total Liabilities & Equity	397,197.19

Florida Phone Systems, Inc.  
 Income Statement  
 1 Month Period Ending  
 December 31, 1998 and Year to Date  
 Page 3

	Current Period		Year To Date	
	Amount	%	Amount	%
<b>Revenues:</b>				
Sales Product #1	27,238.39	70.66	321,873.83	32.21
Sales Product Jobber	0.00	0.00	91,611.72	9.17
Sales Product- Auctions	1,209.46	3.14	39,971.69	4.00
Consulting Fees (Essex)	0.00	0.00	56.48	0.01
Consulting Fees (BellSouth)	9,251.74	24.00	112,383.40	11.24
Rentals	-123.52	-0.32	319,799.65	32.00
Service & Installation	1,022.13	2.65	113,237.51	11.33
Returns and Allowances	-50.00	-0.13	510.00	0.05
<b>Total Revenues</b>	<b>38,548.20</b>	<b>100.00</b>	<b>999,444.28</b>	<b>100.00</b>
<b>Cost of Goods Sold:</b>				
Materials	29,339.09	76.11	318,455.43	31.86
Freight	361.40	0.94	2,056.66	0.21
Rebate	0.00	0.00	-44,824.39	-4.48
<b>Total Cost of Goods Sold</b>	<b>29,700.49</b>	<b>77.05</b>	<b>275,687.70</b>	<b>27.58</b>
<b>Gross Profit</b>	<b>8,847.71</b>	<b>22.95</b>	<b>723,756.58</b>	<b>72.42</b>
<b>Operating Expenses:</b>				
Accounting	0.00	0.00	2,215.00	0.22
Alarm Monitoring	0.00	0.00	54.00	0.01
<b>Advertising:</b>				
Newspaper	0.00	0.00	259.20	0.03
Periodicals	0.00	0.00	2,784.71	0.28
T.V./Radio	0.00	0.00	54.90	0.01
Tel. Yellow Pages	1,169.25	3.03	14,454.07	1.45
AmEx Dues	0.00	0.00	21.00	0.00
<b>Auto Expense:</b>				
Maintenance & Repairs	554.91	1.44	4,608.94	0.46
Rentals	128.82	0.33	1,962.09	0.20
Gas & Oil	3,199.48	8.30	30,137.39	3.02
Bad Debt Account	2,457.44	6.37	8,600.44	0.86
<b>Bank Charges:</b>				
Service charges	0.00	0.00	1,592.90	0.16
Interest Paid	278.55	0.72	3,716.51	0.37
<b>Benefits:</b>				
Life Insurance	0.00	0.00	105.50	0.01
Charitable Contributions	50.00	0.13	220.00	0.02
Dues & Subscriptions	210.00	0.54	1,299.85	0.13
Entertainment	206.96	0.54	1,731.12	0.17
Freight Out	393.34	1.02	5,233.68	0.52

Florida Phone Systems, Inc.  
Income Statement  
1 Month Period Ending  
December 31, 1998 and Year to Date  
Page 4

	Current Period		Year To Date	
	Amount	%	Amount	%
Insurance Auto:				
Ford 98'	218.44	0.57	2,510.62	0.25
Insurance Group Health:				
FL Health Access Admn Fee	3,873.29	10.05	19,648.40	1.97
Insurance Business:				
Workman's Comp. Insurance	0.00	0.00	12,932.86	1.29
Insuarance House	0.00	0.00	-3.00	0.00
Legal Services	0.00	0.00	200.00	0.02
Miscellaneous	1,495.75	3.88	5,804.43	0.58
Misc. Tax & Fees	87.30	0.23	1,666.18	0.17
Office Supplies	340.14	0.88	8,178.18	0.82
Shirts/Pants	0.00	0.00	317.16	0.03
Office Equipment Rental	0.00	0.00	328.35	0.03
Payroll:				
Salaries	6,175.00	16.02	64,730.00	6.48
Wages Office	5,409.76	14.03	54,270.08	5.43
Wages-Installers	13,463.18	34.93	141,101.84	14.12
Commissions - Auctions	4,205.00	10.91	45,943.09	4.60
Bonus	1,000.00	2.59	2,750.00	0.28
Postage	250.00	0.65	1,624.28	0.16
Rent- Office	2,088.20	5.42	7,110.68	0.71
Repairs	181.47	0.47	7,617.18	0.76
Restocking Charge	0.00	0.00	120.12	0.01
Software Support	102.80	0.27	4,868.75	0.49
Supplies- Installation	2,825.46	7.33	79,748.64	7.98
Taxes:				
State Unemployment	0.00	0.00	3,755.35	0.38
Tangible Property Tax	27.12	0.07	3,901.29	0.39
Corporate Tax	0.00	0.00	150.00	0.02
Telephone Expense:				
ATC	0.00	0.00	1,545.65	0.15
MCI	8.40	0.02	2,285.52	0.23
Southern Bell	958.48	2.49	11,332.07	1.13
AllTel Mobile	457.29	1.19	5,785.36	0.58
United Telephone	280.34	0.73	2,535.79	0.25
Dial A Page	340.20	0.88	4,153.20	0.42
Travel Expense	1,107.73	2.87	4,284.99	0.43
Utilities	214.59	0.56	1,672.13	0.17
Payroll Taxes	2,130.82	5.53	23,228.90	2.32
Total Operating Expenses	55,889.51	144.99	605,149.39	60.55
Net Profit (Loss)	-47,041.80	-122.03	118,607.19	11.87
Net Profit (Loss) After Tax	-47,041.80	-122.03	118,607.19	11.87
Investment Expense Account	-459.58	-1.19	-5,055.38	-0.51

